



EXECUTIVE FINANCIAL SERVICES

**JOHN HUNTER
FINANCE AND OPERATIONS**



CAPABILITY STATEMENT

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1 INTRODUCTION

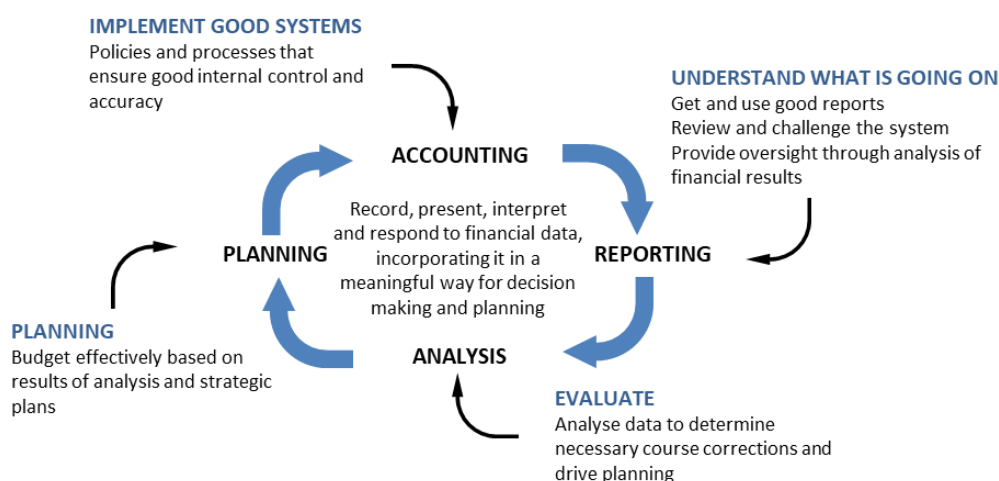
The Head of Finance is responsible for guiding the finance function to report on the performance of the business and meet its statutory reporting obligations. However finance needs to be more than just a bookkeeping function.

The finance function needs to transition from a cost centre that is focused on bookkeeping to become guardians of enterprise value creation, focusing on more value-added activities. This means expanding its focus from being backward looking to also become forward looking.

Gone are the days when the role of the head of finance in a company was just a financial machinist. As demands of reporting requirements grow, and we are now entering navigating uncharted economic territory and access to resources become more challenging, the role is evolving to become more strategic to meet the needs to the future requirements of the business.

1.1 THE FINANCE FUNCTION

The finance function is the guiding light to the business that measures the performance and outcomes of the strategies implemented by the management team.



1.2 THE HEAD OF FINANCE

The Head of Finance is responsible for guiding the finance function to report on the performance of the business and meet its statutory reporting obligations.

This includes:

- Performance analysis of company, assets employed and staff
 - Analysis of return on investment of assets deployed
 - Contribution to performance by operational team
 - Identification of high level strategic targets and opportunities

- Capital management and cash forecasting
 - Data and analytics
 - Identify business cash flows and manage demands
 - Plan solutions for deficiencies and improve capital returns
- Strategic management
 - Change management and preparing for the future needs of the business, including identification and implementation of digital solutions to improve staff efficiency
 - IT management
 - Financial analysis and interpretation
 - Staff development and training
- Performance forecasting
 - Forecasting, planning and analysis
- Performance, accuracy and timeliness of reporting
 - Meeting reporting to stakeholders including board, shareholders and regulators
- Meeting compliance obligations
 - Statutory reporting and tax return lodgements
 - Risk management
 - Corporate governance
 - Manage licencing obligations

2 VALUE PROPOSITION

Set out in this document is information on an engagement to benefit from my expertise and track record as a member of the management team. I am well placed with significant experience to meet the needs of your business based on the following factors:

- Broad Technical Skills:
 - Broad skills across accounting, tax, legal and corporate governance to be able to quickly assess the implications of a transaction to identify any further action required
 - Experience with the reporting and disclosure requirements of complex ASX listed entities
 - Provide broader guidance with greater efficiency to the ongoing operations of the business avoiding dark alleys and twisted paths
 - Quickly and efficiently identify the key issues to be resolved

- Performance Analysis:
 - Assess the contribution of returns of business units, assets and staff to the performance of the business
 - Identify short and long term solutions to the results of the performance analysis
- Communication:
 - Having broad skills provides for the ability to bring together different professionals for a common financial oversight goal, including accountants, lawyers, compliance professionals and IT.
 - Being an experienced senior executive allows for strategic interaction across all business teams
- Hands On:
 - Operating in small businesses has facilitated the development of the ability to manage diverse functions and teams within the business
 - Operate across all aspects of the finance function, from processing through to taxation and final reporting
- Commercial as well as Technical
 - Operating at an executive level has provided for the ability to consider broadly the best interests of the company as a whole whilst also the technical implications, such as reporting, legal and taxation.

3 BACKGROUND AND EXPERIENCE

3.1 FINANCIAL MANAGEMENT AND CORPORATE GOVERNANCE

Nearly 30 years of experience in senior executive positions as Chief Financial Officer, Company Secretary and officer of ASX Listed companies, public funds and investment schemes, unlisted private companies and wholesale investment trusts. Having a board range of industry experience includes listed, both Australian and international investments, and unlisted equities, property and lending activities.

Most recently responsible for the development and management of the finance function of the two ASX listed investment groups:

- CVC Limited (ASX: CVC) with market-cap of \$300m; and
- Eildon Capital Group (ASX: EDC) with market cap \$55m and approx. \$300m AUM across various funds credit and single asset property funds in the group.

The role has included Financial Management and Reporting, Company Secretarial, Legal and Compliance responsibilities of both groups. This included the following:

- Statutory reporting and compliance requirements:

- Preparation and lodgement of ASX financial reports
- ASX reporting obligations and lodgements as required by the Listing Rules
- Tax reporting, structuring and planning of companies, trusts, partnerships, including annual returns and private rulings
- ASIC filings
- APRA and AUSTRAC reporting for lending entities and public trusts
- AFS management for compliance with authorisations and financial requirements and submission of variations for licences
- Company secretarial duties including preparation of board reports, and shareholder notices, attending and recording board and shareholder meetings, documenting resolutions.
- Liaising and managing external consultants (legal, auditors, tax agents), ASX, ATO, State Revenue offices.
- Financial reporting:
 - Budgeting and forecasting
 - Board reporting
- Transaction management:
 - Corporate structuring
 - Contract negotiations and documentation
 - legal review of transaction and lending agreements/deeds and management of external lawyers
 - Due diligence
 - Valuations and feasibilities
- Capital management:
 - Debt and equity capital raisings
 - Preparation of prospectus, investment memorandum's for public raisings, and managing investment banks and lawyers
 - Cash flow and treasury management
 - Review of company, asset and staff performance
- Staff management:
 - Oversight of daily operations and monthly reporting
 - Staff training

- Other:
 - manage staff and external service providers, including compliance and banking
 - preparation and management of budgets and forecasts of investment entities, funds management operations as well as providing assistance with portfolio companies;
 - Insurance

3.2 OPERATIONS

Over 15 years of experience of managing commercial aspects of financial services organisations to improve the accuracy, timeliness and functionality of information.

- Planning and development of internal system improvements:
 - Policies and procedures
 - Risk management and mitigation
 - Operational system development
- Payroll management, including internal and outsourced
- Other operational functions:
 - Management of internal IT and external consultants

As an experienced executive across financial and operational aspects funds management operations, my point of difference is having a broad technical and commercial understanding of the needs of the business and being able to navigate execution.

3.3 QUALIFICATIONS

My educational background includes a combination of technical and commercial qualifications, with the following achievements:

Bachelor of Commerce (ANU)
 Chartered Accountant (CA ANZ)
 Master of Business Administration (MGSM)
 Master of Applied Finance (Macquarie)
 RG 146 – Generic, Securities, Derivatives and Managed Investments

4 TRACK RECORD

Outside of the day-to-day management of the operations of the finance function, the following is a summary of the recent significant achievements and the personal contributions made.

4.1 PERSONAL ACHIEVEMENTS

Financial

- Completion of \$60 million Convertible Note issue and \$100 million capital raising for CVC;

- Listing of Eildon Capital Group on the ASX and capital raisings
- Corporate restructure of Eildon Capital Limited
- Creation of wholesale lending fund with initial \$100 million Assets Under Management (AUM) providing funding to property developers in the form of preferred equity, senior and mezzanine finance. Publicly available for wholesale investors to selectively choose the types of loans they wish to invest.

Structural

Implementation of administration systems to improve efficiency and governance of the operation of the businesses, including:

- Implementation of unit and share registry system internal management purposes, including training of staff
- Implementation of loan management system for management of customer loans from statement preparation to financial reporting requirements
- Implementation of Business Intelligence reporting system
- Migration of data from manual spreadsheets to cloud database system
- Implementation of Company Secretarial and corporate governance system for board reporting
- Oversaw the development of IT systems to cater for the growth of the business, including software policies, transition from local servers to cloud, remote access
- Outsource of manual process and reallocation of resources

Compliance

- Reconstruction and review a 20 year old transaction for the purposes of a 2 year ATO audit and negotiation of a settlement that was estimated to be 10% of the forecast liability
- Development and implementation of Corporate Governance, Risk Management Policies, and Disaster Recovery Plan

4.2 CASE STUDIES

Initial Public Offer of Eildon Capital Group

Background

Eildon Capital Limited (ASX: EDC) was a public unlisted company that listed on the ASX in February 2017. The path of the Initial Public Offer included:

- Pre-IPO Capital Raising
- Documentation process
- Corporate governance requirements
- Roadshow
- Listing

Responsibilities

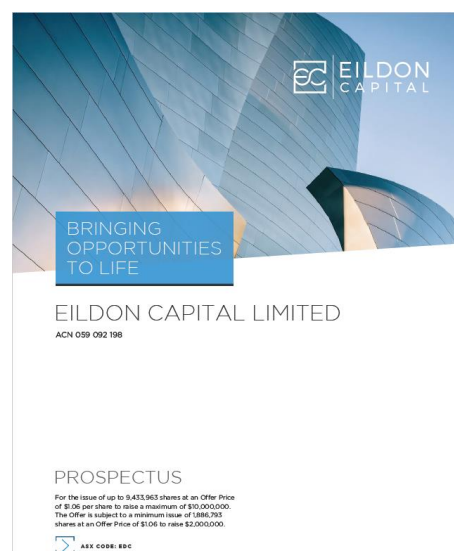
Specific responsibilities critical to the ASX listing of Eildon Capital Limited included:

- Coordinating lawyers and consultants on the documentation process, disclosure and governance requirements
- Drafting Prospectus
- Discussion with ASX representatives
- Due diligence and verification process
- Presenting to brokers with the Managing Director

Outcome

Following a 6-month process Eildon Capital Group commenced trading on the on the ASX in February 2017 with a market capitalisation of \$32.0 million following a raising of a total of \$13.6 million. The process included:

- Pre-IPO placement of \$3.6 million at \$1.02 per share
- An oversubscribed capital rising from new and existing investors of \$10 million at \$1.06 per share



ASX Listed Convertible Note

Background

Due to the nature of CVC Limited's (ASX: CVC) operations it had historically been unsuccessful in obtaining on-balance sheet debt on competitive terms and of any significance.

Working with brokers a solution was identified to secure debt capital via either a bond issue or a public issued convertible note.

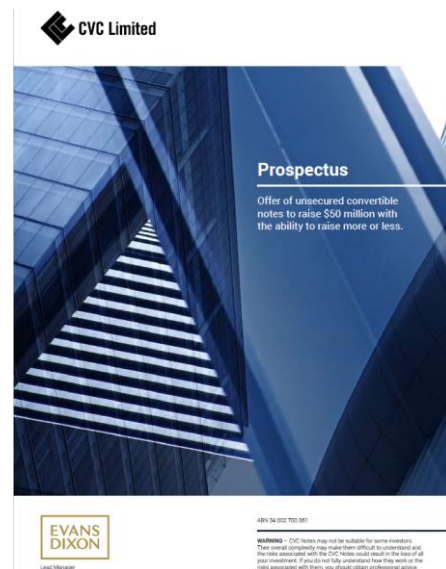
Responsibilities

Specific responsibilities critical to the completion of the raising process included:

- Negotiate with brokers initial terms, including the interest rate, terms and structure
- Non-deal roadshow presentations to brokers with the Managing Director
- Coordinating lawyers and consultants on the documentation process, disclosure and governance requirements
- Preparing and managing documentation of Prospectus and Trust Deed
- Engaging independent trustee
- Discussions with ASX representatives
- Due diligence and verification process

Outcome

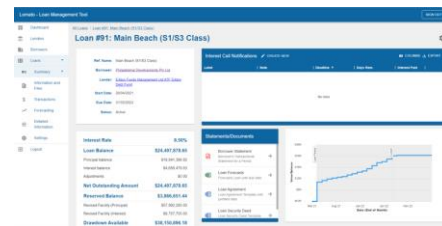
Following a 6-month process CVC Limited completed the successful issuance of \$60 million of convertible notes which commenced trading on the ASX in June 2018.



Development of Loan Management System

Background

CVC Limited (ASX: CVC) and Eildon Capital Group (ASX: EDC) provide loans to borrowers. Historically loans were administered using a combination of Excel spreadsheets to maintain the loans and Word to prepare and issue statements to borrowers. This was a very manual process, inefficient and was regularly subject to error.



As the strategy of the group was to build the loan portfolio a solution was needed to make the process more efficient and robust.

Following discussion with external administrators to considering outsourcing the process as well as external software developers to provide a software solution the decision was made to employ an in-house developer to build a bespoke loan management system.

Responsibilities

Specific responsibilities critical for the project management system were as follows:

- Discussion with external administrators and developers for an outsourced solution
- Cost analysis of the various options
- Employing in-house developer
- Creation of project team
- Establishing projects objectives and system requirements
- Holding weekly team meetings to discuss development progress, deal with programming issues and changes in scope

Outcome

After 12 months of development, a robust loan management was developed and was implemented to replace the existing manual process. Over the course of the following 18 months the system continued to be developed into a complete solution for the following processes:

- Loan and interest maintenance
- Production of borrower statements for various lending entities
- Storage for loan documentation and KYC
- Monitoring and reporting of loan interest servicing, maturities and defaults
- Creation of fee amortisation, cash forecast and settlement calculation reports
- Supporting reports for financial reporting and audit purposes

Strategic Analysis of CVC Operational Performance

Background

The Directors of the company needed to understand the contribution and performance of the various business segments and strategies of the company. This included staff member overall contribution.

A complete review of the contribution to operating performance over a 5-year period was undertaken and analysed for the purposes of understanding required rate targets on assets employed and ultimately shareholder returns.



Responsibilities

The following was completed as part of the review:

- Breakdown profit over the 5-year period
- Breakdown income earned and allocate against investment team
- Manipulate data in a database system
- Compare the returns generated against assets employed and direct costs

Outcome

Following the completion of the analysis the board of directors and the major shareholders of the company resolved to:

- refine the strategic direction of the company from being a diversified investment company to focusing on its core-competency of property
- implement a restructure of the operations of the business, including the redundancy of non-core employees